

## Message Text

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PAGE 01 DAKAR 00804 061850Z

46

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 NEA-09 ISO-00 AGR-05

AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 RSC-01

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 NSC-05 SS-15 STR-01 CEA-01 L-02 H-01 IO-10

FEAE-00 INT-05 DODE-00 PA-01 USIA-06 PRS-01 OIC-02

FPC-01 AEC-05 IGA-01 /133 W

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P R 061800Z FEB 75

FM AMEMBASSY DAKAR

TO SECSTATE WASHDC PRIORITY 9815

INFO USMISSION USUN

USMISSION GENEVA

USMISSION USEC BRUSSELS

AMEMBASSY ALGIERS

AMEMBASSY BELGRADE

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CARACAS

AMEMBASSY LIMA

AMEMBASSY NEW DELHI

AMEMBASSY PANAMA

AMEMBASSY PARIS

AMEMBASSY QUITO

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E.O. 11652: N/A

TAGS: ETRD, EGEN,

SUBJECT: DAKAR COMMODITIES CONFERENCE: ORGANIZATION AND EARLY  
TRENDS

DEPT PLEASE PASS OTHER POSTS AS APPROPRIATE

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PAGE 02 DAKAR 00804 061850Z

REF: DAKAR 0797 (NOTAL)

1. ON THIRD DAY OF DAKAR CONFERENCE ON COMMODITIES (DCC) ORGANIZATION OF CONFERENCE WORK AND LEADERSHIP ROLE OF CERTAIN COUNTRIES BECOMING CLEARER. COMMITTEE MEMBERSHIP AS REPORTED DAKAR 0765. ALGERIA IS HEAD OF DRAFTING COMMITTEE. COMMITTEE HEADED BY VENEZUELAN RUMOLDO FIGUERIEDO IS, IN EFFECT, COMMITTEE OF WHOLE. THIS COMMITTEE FORMED AS WORKING COMMITTEE TO DEBATE AND DECIDE ISSUES. OPENING STATEMENTS IN PLENARY ARE TO END TODAY. VICE PRESIDENT OD COMMITTEE ON WHOLE IS HEAD OF INDIAN DELEGATION. RAPPORTEUR IS HEAD OF IVORY COAST DELEGATION. ALTHOUGH SENEGALESE CLAIM 110 DELEGATIONS PRESENT AT DAKAR, ACCORDING TO OUR SOURCES ONLY ABOUT 50-70 DELEGATIONS ARE PARTICIPATING ACTIVELY AT CONFERENCE HALL. ALGERIA IS PLAYING LEADERSHIP ROLE. OTHER COUNTRIES WHICH HAVE BEEN PARTICULARLY ACTIVE IN EARLY SESSIONS INCLUDE: SENEGAL, ARGENTINE, PAKISTAN, INDIA, YUGOSLAVIA, PERU, AND VENEZUELA.

3. ARGENTINE PROPOSAL THAT "MEASURES TO BE TAKEN TO FACILITATE INTERNATIONAL COOPERATION BETWEEN DEVELOPED AND DEVELOPING COUNTRIES" BE INCLUDED ON AGENDA WAS ALTERED LATE YESTERDAY SO THAT APPLICABLE AGENDA ITEM NOW REPORTEDLY READS: "REINFORCEMENT OF THE SOLIDARITY OF THE DEVELOPING COUNTRIES IN THEIR ECONOMIC RELATIONS WITH THE INDUSTRIALIZED COUNTRIES." THUS, TUG OF WAR BETWEEN NATIONS WHO WANT MODERATE APPROACH TO RELATIONS WITH DC'S AND OTHERS WHO WISH STRESS LDC SOLIDARITY CONTINUES WITH EARLY INDICATIONS THAT LATTER ARE IN MAJORITY. HOWEVER, MANY APC COUNTRIES WHO RECENTLY COMPLETED THEIR NEGOTIATIONS WITH EEC ARE AMONG THOSE TAKING MORE MODERATE STANCE. APPARENTLY THIS REFLECTS AWARENESS OF THEIR CONTINUED DEPENDENCE ON EEC ESPECIALLY AS MARKETS FOR THEIR AGRICULTURAL EXPORTS. SENEGAL, FOR EXAMPLE, ENDORSED ARGENTINE AGENDA ITEM WHICH STRESSED COOPERATIVE APPROACH TOWARDS DEVELOPED COUNTRIES.

4. QUESTION OF ARAB AID TO OTHER LDC'S ALSO LIVE ONE AT CONFERENCE, THOUGH, AS FAR AS WE KNOW, NO SPECIFIC RESOLUTION ON THAT QUESTION HAS YET BEEN FORMULATED. ALGERIANS ARE REPORTEDLY ONLY OPEC NATION TO TAKE STRONG STAND FOR MEASURES LIKELY TO REQUIRE FINANCING BY CAPITAL SURPLUS OF OPEC COUNTRIES. OTHER ARAB STATES PRESENT AT CONFERENCE HAVE REMAINED QUIET. ACCORDING LIMITED OFFICIAL USE

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PAGE 03 DAKAR 00804 061850Z

TO ONE OBSERVER, OMANIS AND OTHER ARAB COUNTRIES ARE LISTENING BUT NOT TALKNG AND ARE SUSPICIOUS WITH RESPECT AFRICAN AND OTHER LDC PROPOSALS. AT SAME TIME, THOUGH CAREFULLY KEPT OUT OF SPEECHES, THERE IS UNDERCURRENT RUNNING AMONG AFRICANS AND OTHERS THAT OPEC COUNTRIES AND ARABS SHOULD DO MORE FOR LESS FORTUNATE LDC'S. ARTICLE SENEGALESE DAILY LE SOLEIL SAYS, FOR EXAMPLE, "QUESTION OF PETRO-DOLLARS STOCKED IN WESTERN BANKS MIGHT BE THE OBJECT OF EXCHANGE OF VIEWS BETWEEN PETROLEUM PRODUCERS AND OTHER

DEVELOPING COUNTRIES" AND "CERTAIN AFRICAN PARTICIPANTS WISH FOR TRANSFER OF ARAB DOLLARS INTO SPECIALIZED BANKS, EXISTING OR TO BE CREATED AT SUB-REGIONAL LEVELS OF THE CONTINENT." ARTICLE CONCLUDES PETROLEUM PRODUCERS PROBABLY WILL NOT BE RETICENT SINCE THEY ARE DETERMINED CREATE A UNIFIED, THIRD-WORLD, ECONOMIC PRESSURE GROUP.

5. JANKO SMOLE, HEAD OF YUGOSLAV DELEGATION GAVE SPEECH FEB 5 WHICH ILLUSTRATES CURRENT DIRECTION OF DEBATE. SMOLE STRONGLY ENDORSED PROGRAM FOR DCC PREPARED BY INTERGOVERNMENTAL GROUP ON RAW MATERIALS UNDER CHAIRMANSHIP OF ALGERIA. CITED MULTINATIONAL CORPORATIONS AND OTHER NEO-COLONIALIST THREATS TO LDC ECONOMIC DEVELOPMENT, DESCRIBED OPEC OIL PRODUCERS GROUP AS INSPIRING EXAMPLE FOR ORGANIZING OTHER COMMODITY PRODUCING COUNTRIES. SMOLE CALLED FOR CREATION OF ORGAN FOR CONSULTATION AND COORDINATION AMONG OPEC-STYLE CARTELS TO BE ESTABLISHED FOR VARIOUS COMMODITIES. IN THAT CONTEXT, HE CALLED FOR EXPANDED MANDATE FOR INTERGOVERNMENTAL GROUP AND FOR DELEGATION TO THAT GROUP OF AUTHORITY TO ENGAGE EXPERTS TO STUDY QUESTIONS OF BUFFER STOCKS AND INDEXATION. SMOLE RECOGNIZED THAT SOLUTIONS COULD BE FOUND ONLY ON BASIS OF EQUITABLE AND CONSTRUCTIVE COOPERATION AMONG ALL NATIONS, BUT DCC MUST CREATE UNIFIED BASIS FOR DIALOGUE. SMOLE SAID YUGOSLAVIA FEELS FRENCH SUGGESTION FOR PRODUCER-CONSUMER MEETING ON OIL SHOULD BE EXPANDED TO CONSIDER ALL RAW MATERIALS AND ALL COUNTRIES. HE ALSO CALLED ON OPEC MEMBERS TO OFFER FINANCIAL ASSISTANCE TO POOREST LDC'S IN FINANCING BUFFER STOCKS, FOOD PRODUCTION, RAW MATERIALS PROCESSING, AND IN OTHER AREAS.

6. MANY DELEGATIONS AT CONFERENCE ARE MAKING POINT THAT LDC'S MUST DEPEND ON THEMSELVES, THAT HISTORY OF LAST LIMITED OFFICIAL USE

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PAGE 04 DAKAR 00804 061850Z

DECADE HAS PROVED FOREIGN AID NOT SOLUTION TO LDC'S PROBLEM. SAME DELEGATIONS NOW SEEM TO BE RELYING ON CREATION OF COMMODITY CARTELS AND OTHER MEASURES TO VALUE UPWARD AND STABILIZE RAW MATERIALS EXPORT PRICES TO SECURE THEIR FUTURE DEVELOPMENT. THERE ARE NUMBEROUS PROPOSALS FOR FORMATION OF ADDITIONAL PRODUCERS' ASSOCIATIONS AND FOR SOME SORT OF UMBRELLA ORGANIZATION TO COORDINATE WORK OF PRODUCERS' ORGANIZATIONS AND START NEW ONES. ONE OR MORE OF THESE PROPOSALS SEEMS LIKELY TO BE ADOPTED.

AGGREY

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, COMMODITIES, ECONOMIC DEVELOPMENT, NONALIGNED NATIONS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975DAKAR00804  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750044-0325  
**From:** DAKAR  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 165  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 DAKAR 0797  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 APR 2003 by MartinML>; APPROVED <10 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DAKAR COMMODITIES CONFERENCE: ORGANIZATION AND EARLY TRENDS  
**TAGS:** ETRD, EGEN, SG  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006